

Date: JAN 24 1989

Key District:
[REDACTED]Year(s):
[REDACTED]Person to Contact:
[REDACTED]Contact Telephone Number:
[REDACTED]

Gentlemen:

We considered your appeal of the adverse action proposed by your key District Director. The paragraph(s) checked below indicate(s) our decision.

☒ Your exemption from Federal income tax under section 501(c)(7) of the Internal Revenue Code is:

- ☐ confirmed.
- ☐ modified. A new determination letter is enclosed.
- ☒ denied or ☐ revoked. You are required to file Federal income tax returns on Form 1120 for the above years. You should file these returns with your key District Director, EP/EO Division, within 30 days from the date of this letter, unless a request for extension of time is granted.
- ☐ You are not a private foundation because you are described in Code section(s) _____.
- ☐ You are an operating foundation as described in code section 4942(j)(3).
- ☐ You have no liability for excise taxes under IRC _____ for the above years.
- ☐ Your liability for excise taxes under IRC _____ for the above year(s) was properly reported on your return(s).
- ☐ There is no change to your unrelated business income tax liability as reported for the above years.
- ☐ Your Form(s) 990-T for the above years are accepted as filed.
- ☐

You may direct questions about the decision to the appeals officer whose name and telephone number are shown above.

Sincerely yours,

[REDACTED]
Associate Chief
St. Paul Appeals Office

Letter 1370(RO) (1-80)

Person to Contact: [REDACTED]
Telephone Number: [REDACTED]
Refer Reply to:
Internal Revenue Service
[REDACTED]

Date: SEP 30 1984

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under section 501(c)(7) of the Internal Revenue Code.

The information submitted discloses that you were incorporated on [REDACTED] under the nonprofit corporation laws of the State of [REDACTED].

According to your Articles of Incorporation, the purpose of your organization is to promote and encourage interest in the sport of tractor pulling. Your primary activity is to conduct tractor pulling contests at county fairs and local town celebrations.

According to the financial data you submitted, your primary source of income is the sale of promotional material to the general public at your tractor pulling events. A substantial amount of your expenses represent prize money expense and cost of trophies.

Your organization currently has [REDACTED] members who are allowed to participate in your tractor pulling contests and receive prize money.

Section 501(c)(7) of the Code provides for exemption from Federal Income Tax of clubs organized and operated exclusively for pleasure, recreation, and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

Section 1.501(c)(7)-1(e) of the Income Tax Regulations provides that section 501(c)(7) of the Code applies only to clubs which are organized and operated exclusively for pleasure, recreation and other non-profitable purposes, but does not apply to any club if any part of its net earnings inures to the benefit of any private shareholder. In general, this exemption extends to social and recreation clubs which are supported solely by membership fees, dues and assessments.

Since the general public is invited to your social and recreational events and your receipts therefrom are a substantial part of your total income, it is evident that you are not operating as a social club within the intentment of Section 501(c)(7) of the Code.

Accordingly, we hold that you are not entitled to exemption from Federal Income Tax as an organization described in section 501(c)(7) of the Code. Accordingly, you are required to file Federal income tax returns on Form 1120.

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If you agree with this determination please sign and return the enclosed Form 6018.

Sincerely yours,

District Director

Enclosures:
Publication 892
Form 6018